



July 15, 2011

The Honorable Norman H. Conway  
Chairman  
Appropriations Committee  
Room 121, House Office Building  
Annapolis, MD 21401 – 1912

Dear Chairman Conway:

The Department of Health and Mental Hygiene (DHMH) and the Department of Human Resources (DHR) continue to be committed to improving the eligibility process for applicants applying for long term care services. As required by the 2011 Joint Chairmen's Report (p.77), we are respectfully submitting the following monthly update on our progress to streamline the process for long term care eligibility determinations.

For your convenience, this update mirrors the format of our most recent June 6 update and is divided into the following four parts: (1) initiating all annual redeterminations of existing cases to improve cash flow to providers; (2) implementing a new technology; (3) streamlining policy concerning the 60 month look back period; and (4) simplifying application forms for both new applications and redeterminations in order to make them more user-friendly.

*1. Initiating or Pending all Annual Redeterminations*

As noted in our last update, we have met our goal of implementing by March 21, a statewide change in policy so that all redeterminations are initiated or "pending" shortly after receipt of the paperwork. Once pending, benefits will continue to be paid for recipients while the redetermination process is ongoing and will help alleviate some of the cash flow concerns associated with a delay in final determination of eligibility.

Through this change in policy, the number of redeterminations that have been pending or initiated has grown to approximately 800 per month – an increase of 49 percent from February levels before the policy change was implemented. These additional redeterminations mean that approximately \$1.8 million has flowed to providers since our last update.

## *2. Implementing New Technology*

We are currently using the risk-based application scoring technology described in our last monthly update to sort through or “triage” our existing caseload. As we noted in our update, this technology is used by other states to expedite assessing the risk of an application and speed the processing of cases, particularly cases identified as low risk cases. Using third party databases and information provided by the applicant, the software allows us to quickly verify income, assets and other factors to determine the likelihood that a case is eligible. This will ultimately allow caseworkers to more quickly determine low risk cases and approve them and immediately identify the problems with high risk cases and more quickly request the information required to determine eligibility.

At present, we have applied the technology to help us reduce our backlog of cases. The electronic review of backlogged cases identified approximately 15 percent of cases as simple and low risk cases, 19 percent of cases as high risk and the remaining 66 percent of cases as having moderate risk. In addition, of the 66 percent of cases with moderate risk, roughly half of them (or one third of the total backlog) have only one or two significant risk factors that need to be resolved to make a determination.

Toward this end, our strategy is to quickly resolve the 15 percent cases that are low risk and to send letters to the 19 percent of high risk cases that more information is required before a determination can be made. We will then move on to processing the one-third of cases with low-to-moderate risk and finally to the cases with moderate-to-high risk.

## *3. Streamlining Policy Concerning the 60-month Look-Back Period*

In consultation with community stakeholders, we have made significant progress in making policy changes that will streamline the eligibility process, while continuing to comply with the required five-year “look-back” of applicants’ financial histories. As we reported in our June 6 letter, we met the objective of developing a new procedure for the look-back period to streamline the documentation process while maintaining program integrity and minimizing financial risk to the State by May 2, 2011.

Effective May 1, 2011, the new look-back period process was implemented by the release of an Action Transmittal to eligibility case workers. Also in May, we developed training materials and trained staff in the Bureau of Long-Term Care on the new look-back procedures. As you are aware, the Bureau of Long Term Care encompasses three counties and Baltimore City and has the largest share of applications for long term care services.

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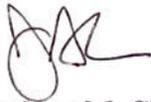
DHR and DHMH will evaluate the effectiveness of the look-back procedures by monitoring application timeliness compliance rates monthly and at interim checkpoints throughout the year to ensure the process is helpful for applicants, workers and providers.

*4. Simplified Applications per new Policies and Procedures*

The new applications were finalized as of July 1, 2011 and will be printed and issued statewide. We are on target to schedule trainings for staff, advocates, nursing facilities and providers throughout the state for both the look back process and the new applications by August 1, 2011. We will proceed to make the applications and training materials available online effective September 1, 2011. Additionally, we are preparing a methodology to evaluate the modified application and redetermination process to be put in place by December 1, 2011.

Thank you for your continued support of our efforts to improve service delivery in this critical program area. Please feel free to contact us if you have any questions or need further information.

Sincerely,



Joshua M. Sharfstein, M.D.  
Secretary  
Department of Health and  
Mental Hygiene



Theodore Dallas  
Secretary  
Department of Human Resources

c: Rosemary Malone, DHR  
Debbie Ruppert, DHMH  
Tammy Bresnahan, DHR  
Wynee Hawk, DHMH



July 15, 2011

The Honorable Peter A. Hammen  
Chairman  
Health and Government Operations Committee  
Room 241, House Office Building  
Annapolis, MD 21401 - 1912

Dear Chairman Hammen:

The Department of Health and Mental Hygiene (DHMH) and the Department of Human Resources (DHR) continue to be committed to improving the eligibility process for applicants applying for long term care services. As required by the 2011 Joint Chairmen's Report (p.77), we are respectfully submitting the following monthly update on our progress to streamline the process for long term care eligibility determinations.

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*1. Initiating or Pending all Annual Redeterminations*

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Through this change in policy, the number of redeterminations that have been pended or initiated has grown to approximately 800 per month – an increase of 49 percent from February levels before the policy change was implemented. These additional redeterminations mean that approximately \$1.8 million has flowed to providers since our last update.

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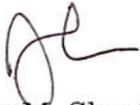
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Theodore Dallas  
Secretary  
Department of Human Resources

c: Rosemary Malone, DHR  
Debbie Ruppert, DHMH  
Tammy Bresnahan, DHR  
Wynee Hawk, DHMH



July 15, 2011

The Honorable Thomas M. Middleton  
Chairman  
Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401

The Honorable Edward J. Kasemeyer  
Chairman  
Senate Budget and Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, MD 21401

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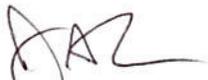
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